



HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF MANAGERS MEETING MINUTES
Thursday, January 31, 2013
Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary (arrived 9:35 a.m.)
Ms. Anne Clutterbuck
Mr. Elvin Franklin, Jr.
Dr. George Santos
Ms. Daisy Stiner
Mr. TJ Tijerina

BOARD MEMBERS ABSENT

Mr. Lawrence Finder

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. Michael Norby, Chief Financial Officer
Mr. Kelly Johnson, Harris County Purchasing Agent
Ms. Vivian Groce, Harris County Assistant Purchasing Agent
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Dr. John Burruss, General Director, Affiliated Medical Services
Dr. Tien Ko, Chairman, Medical Executive Board
Ms. Peggy Boice, Judge Ed Emmett's Office
Ms. Monica DelaRosa, Commissioner El Franco Lee's Office
Ms. Elizabeth Neal, Commissioner Jack Cagle's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Stephen DonCarlos, Chair, called the meeting to order at 9:04 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Ms. Truedell requested a correction be made to the December 6, 2012 minutes, referring to **Item X. C. - Executive Session, Motion 12.12-160**. The item should read: "the Board approved using a not-to-exceed amount of **\$2,450,000** from routine capital funds that have been

previously approved for the New People's Clinic located at 6371 Richmond Avenue, Houston, Texas, 77057".

Motion 13.01-2

Moved by Ms. Daisy Stiner, seconded by Mr. TJ Tijerina, Jr., and unanimously passed that the Board approve the minutes of the December 6, 2012 Board of Managers meeting, subject to correcting the not-to-exceed amount of \$3,450,000 to the correct amount of \$2,450,000, regarding routine capital funds that have been previously approved for the New People's Clinic located at 6371 Richmond Avenue, Houston, TX, 77057, referring to item X.C., Executive Session, Motion 12.12-160.

III. Announcements/Special Presentations

Mr. George Masi presented the Leading Edge Element Award to Mr. Ronald Johnson, Vice President of Planning Facilities Management & Engineering, Harris Health System, and his team for the state-of-the-art technology at Smith Clinic for the most advanced technology in breast care and radiation therapy in our area. The Smith Clinic project will be submitted for national consideration by the International Facility Management Association.

IV. Hear from Citizens

Mr. Walter Protheroe addressed the Board regarding issues at Ben Taub and Smith Clinic.

Item VIII.2 was addressed out of order

Mr. Lopez requested the Board approve renaming People's Health Center to The Carlos Vallbona Health Center in honor of Dr. Carlos Vallbona who came to Baylor College of Medicine 56 years ago. Dr. Vallbona is the innovator of the Family Medicine Program at Baylor College of Medicine and one of the longest standing members of the faculty. Renaming the People's Health Center to The Carlos Vallbona Health Center is Harris Health System's recognition for his many years of family and community centric healthcare.

Dr. Vallbona commented to the Board that this recognition and renaming of the clinic does not only belong to him, but to the citizens and the staff of People's Clinic and their tireless dedication.

Motion 13.01-3

Moved by Ms. Carolyn Truesdell, and seconded by Dr. George Santos, and unanimously passed, that the Board approve the renaming of People's Health Center to the Carlos Vallbona Health Center in honor of Dr. Carlos Vallbona for his dedication and innovation through the years.

V. Consideration of Approval or Recommendations and Acceptance of Agenda Items Identified as Consent Items

Motion 13.01-4

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that Board approve agenda items V.A.(1)a to V.A.(1)xx, except for A(1)aa, which was withdrawn.

A. Items related to Purchasing

A (1). Consideration of Purchasing Recommendations Requiring Board Approval:

- a. approved the first of four renewal options for Language Line Services, Inc. for language interpretation services in the estimated amount of \$784,000 for the term February 27, 2013 through February 26, 2014.

- b. approved additional non-budgeted funds for Language Line Services, Inc. for language interpretation services in the estimated amount of \$300,000 for the term February 27, 2012 through February 26, 2013 (Board previously approved funds in the amount of \$484,000 for the term February 27, 2012 through February 26, 2013).
- c. ratified extension for Langrand and Company for new branding and marketing campaign for additional time to complete various projects already in progress in the amount of \$471,600 for the term August 1, 2011 through December 31, 2012.
- d. approved additional budgeted funds and an extension for Health Management Associates for development of a community regional health partnership and the delivery system reform incentive payment plan in the amount of \$50,000 for the extended term January 1, 2013 through June 30, 2013 (Board previously approved funds in the amount of \$500,000 for the term January 1, 2012 through December 31, 2012).
- e. ratified second-year funding for Cardinal Health 200, LLC (PP-OR-708) for surgical and isolation masks in the estimated amount of \$234,063 for the term January 1, 2013 through December 31, 2013.
- f. approved third-year funding for ev3, Inc. (PP-CA-182) for peripheral and biliary stents in the estimated amount of \$139,000 for the term March 1, 2013 through February 28, 2014.
- g. approved second-year funding for Becton, Dickinson and Company (PP-NS-618) for standard hypodermic products in the estimated amount of \$118,454 for the term February 1, 2013 through January 31, 2014.
- h. approved second-year funding for Smiths Medical, ASD Inc. (PP-NS-616) (\$76,837) and Becton, Dickinson and Company (PP-NS-614) (\$136,421) for safety hypodermic products in the total multi-vendor amount of \$213,258 for the term February 1, 2013 through January 31, 2014.
- i. approved third-year funding for the 3M Company (PP-NS-641) for tape products and cohesive bandages in the estimated amount of \$129,297 for the term February 1, 2013 through January 31, 2014.
- j. approved purchase on the basis of best contract for Ethicon, Inc. Ethicon Endo-Surgery, Inc., a Johnson & Johnson Company (PP-OR-828) (Option 1) for suture products in the amount of \$678,000 for the term February 1, 2013 through January 31, 2014.
- k. ratified second-year funding for Professional Disposables International, Inc. (PP-NS-656) for disinfectant disposable wipes in the estimated amount of \$259,042 for the term December 1, 2012 through November 30, 2013.
- l. approved additional budgeted funds and extension for Becton, Dickinson and Company for PCR/Genotyping and GC/Chlamydia testing in the amount of \$186,248 for the extended term February 4, 2013 through July 3, 2013 (Board previously approved funds in the amount of \$399,500 for the term February 4, 2012 through February 3, 2013).

- m. awarded on the basis of best proposal meeting requirements for Laboratory Corporation of America for reference laboratory testing services in the estimated amount of \$1,791,355 for a one-year initial term with four (4) one-year renewal options.
- n. approved additional budgeted funds and extension for IRIS Diagnostics, Inc. (PP-LA-269 f/k/a PP-LA-210) for urinalysis analyzers, reagents, consumables and service in the estimated amount of \$74,287 for the extended term February 1, 2013 through July 31, 2013 (Board previously approved funds in the amount of \$470,676 for the term August 11, 2010 through January 31, 2013).
- o. awarded on the basis of best proposal meeting requirements for Gen-Probe Sales & Service, Inc. for GC and Chlamydia testing system including analyzer(s), reagents, consumables and services in the estimated amount of \$400,519 for a one-year initial term with four (4) one-year renewal options.
- p. approved the following purchase on the basis of sole source for ev3, a Division of Covidien, for Pipeline™ embolization devices in the estimated amount of \$135,000.
- q. awarded on the basis of low bid for Fire Protection Service, Inc. for inspection and service for the fire alarm systems and equipment in the amount of \$102,975 for the term March 1, 2013 through February 28, 2014 with four (4) one-year renewal options.
- r. approved additional budgeted funds on the basis of sole source for FujiFilm Medical Systems USA, Inc. for license and maintenance services for Picture Archiving and Communication System (PACS) in the amount of \$129,000 for the term November 1, 2012 through October 31, 2013 (Board previously approved funds in the amount of \$462,720 for the term November 1, 2012 through October 31, 2013).
- s. approved the purchase on the basis of low quote for Inx, LLC (DIR-SDD-1374) for Cisco hardware and software equipment in the amount of \$401,745.
- t. approved purchase on the basis of low quote for Dell Marketing, L.P. (DIR-SDD-890) for Wyse Thin Client equipment in the amount of \$401,700.
- u. approved renewal on the basis of sole source for Oracle USA, Inc. for PeopleSoft Software license and support in the estimated amount of \$565,432 for the term March 2, 2013 through March 1, 2014.
- v. approved funding for the fifth and final year of the Agreement for International Business Machines Corporation (IBM) (DIR-SDD-953) for IBM Enterprise Wide hardware and software maintenance in the estimated amount of \$347,921 for the term February 15, 2013 through February 14, 2014.
- w. ratified the second of five (5) renewal options for the First DataBank, Inc. for National Drug Data File (NDDF™) license and maintenance in the estimated amount of \$158,604 for the term December 15, 2012 through December 14, 2013.
- x. approved the renewal on the basis of sole source for Pharmacy Computer Services, Inc. for maintenance and support for Rx/3000 outpatient pharmacy management system and drug information database in the estimated amount of \$197,213 for the term February 1, 2013 through January 31, 2014.

- y. approved the purchase on the basis of sole source for Epic Systems Corporation for Clinical Practice Model (CPM) content software in the estimated amount of \$923,983 for one-year initial term.
- z. approved additional budgeted funds for Shared Technologies, Inc. for maintenance of telephone and voice communication systems in the estimated amount of \$209,268 for the term June 1, 2012 through May 31, 2013 (Board previously approved funds in the amount of \$916,209 for the term June 1, 2012 through May 31, 2013).
- aa. WITHDRAWN.
- bb. approved purchase on the basis of lowest complete quote for Midwest Medical Supply Company, LLC for general medical equipment for Lyndon B. Johnson General Hospital Westland Specialty Clinic in the amount of \$189,987.
- cc. approved purchase on the basis of single source contract for Philips Healthcare (PP-MM-166) for physiological monitoring equipment in the amount of \$525,947.
- dd. approved purchase on the basis of single source contract for Philips Healthcare (PP-MM-166) for physiological monitoring equipment for Lyndon B. Johnson General Hospital Westland Specialty Clinic in the amount of \$465,814.
- ee. approved purchase on the basis of product standardization for Philips Healthcare (PP-MM-166) for vital signs monitors in the estimated amount of \$101,358 for March 2012 (The initial term will expire on February 2015).
- ff. approved purchase on the basis of lowest priced contract for Johnson & Johnson Health Care Systems, Inc. distributed through Advanced Sterilization Products (PP-OR-819) for gas plasma sterilizer in the amount of \$140,000.
- gg. approved purchase on the basis of lowest price contract for Siemens Medical Solutions USA, Inc. (PP-IM-190) for fluoroscopic mobile C-arms in the amount of \$340,040.
- hh. approved purchase on the basis of best contract for GE Healthcare (PP-IM-185) for Single Photon Emission Computed Tomography (SPECT/CT) gamma camera for Lyndon B. Johnson General Hospital Nuclear Medicine in the amount of \$599,860.
- ii. approved purchase on the basis of product standardization for Dräger Medical, Inc. (PP-OR-778) for anesthesia systems in the amount of \$233,832 for June 2012 (The term will expire on June 2013).
- jj. approved purchase on the basis of lowest price contract for Getinge USA, Inc. (PP-OR-822; PP-OR-825) for sterile processing equipment in the amount of \$274,865.
- kk. approved purchase on the basis of lowest priced contract for Toshiba America Medical Systems, Inc. (PP-IM-197) for stationary X-Ray Fluoroscopic Unit for Lyndon B. Johnson General Hospital in the amount of \$278,280.
- ll. approved purchase on the basis of best proposal meeting requirements for Philips Healthcare, a division of Philips Electronics North America Corporation, for general purpose ultrasound systems in the estimated amount of \$534,490 for a one-year term.
- mm. awarded on the basis of lowest priced proposal for Intelligent Retinal Imaging Systems™ for retinal imaging systems in the amount of \$133,520.

- nn. awarded on the basis of best proposal meeting requirements for Mortara Instrument, Inc. for multichannel interpretive Electrocardiograph (ECG) systems in the amount of \$365,979 for a one-year term.
- oo. awarded on the basis of low bid for C.F. McDonald Electric, Inc. for mechanical, electrical and plumbing upgrade projects for a generator, domestic water booster package, heating hot water pumps and associated construction at Thomas Street Health Center in the total amount of \$235,693 (\$224,469 - construction price; \$11,224 - owner contingency).
- pp. approved the guaranteed maximum price for JE Dunn Construction for Construction Manager at Risk for the conversion of semi-private rooms at Ben Taub General Hospital in the total amount of \$1,867,476 (\$1,697,705 – construction; \$169,771 – owner contingency).
- qq. approved guaranteed maximum price for JE Dunn Construction for Construction Manager at Risk for the conversion of semi-private room at Lyndon B. Johnson General Hospital in the total amount of \$1,912,303 (\$1,738,457 – construction; \$173,846 – owner contingency).
- rr. approved additional budgeted funds for Wilson Architectural Group, Inc. and ESPA, Corp. for professional architectural and engineering services for construction project at Lyndon B. Johnson General Hospital Specialty Clinic in the estimated amount of \$319,306 (Board previously approved funds in the amount of \$3,525,155).
- ss. approved additional budgeted funds for American Art Resources for Healing Environment Art Consulting Services in the estimated amount of \$25,000 for the term March 15, 2012 through March 14, 2013 (Board previously approved funds in the amount of \$100,000 for the term March 15, 2012 through March 14, 2013).
- tt. approved additional non-budgeted funds for Davis Vision, Inc. – Vision (\$15,242), Standard Insurance Company (The Standard) – Basic Life and AD&D (\$114,440), and United Healthcare Insurance Company – Dental PPO (\$429,864) for Dental DPPO, Basic Life and AD&D, Voluntary Life and AD&D and Vision Coverage(s) in the estimated multi-vendor additional amount of \$559,546 for the term March 1, 2012 through February 28, 2013 (Board previously approved funds in the amount of \$5,511,666 for the term March 1, 2012 through February 28, 2013).
- uu. approved additional non-budgeted funds for Cigna Health & Life Insurance Company – Stop Loss Coverage for pharmacy benefit manager services and medical (including disease management and wellness program) stop loss coverage in the estimated additional amount of \$608,005 for the term March 1, 2012 through February 28, 2013 (Board previously approved funds in the amount of \$6,156,367 for the term March 1, 2012 through February 28, 2013).
- vv. approved purchases as an exception to the Harris Health System Purchasing Manual Bid Requirements for Det Norske Veritas Healthcare, Inc., dba DNV Healthcare, Inc., for management system certification/accreditation in the estimated amount of \$200,000 for a one-year initial term with continuous one-year renewals options until terminated by either party.
- ww. approved additional budgeted funds and an extension for The SSI Group, Inc. for electronic claims processing system in the additional amount of \$37,173 for the term January 1, 2013 through April 30, 2013 (Board previously approved funds in the amount of \$111,520 for the term January 1, 2012 through December 31, 2012).

- xx. approved purchase on the basis of single source contract for Philips Healthcare (PP-MM-166) for physiological monitoring equipment for Ben Taub General Hospital in the amount \$308,782.

A (2). Transmittals of Completed Items **(For Informational Purposes)**

- a. transmittal of award on the basis of only bid received for Dunbar Armored, Inc. for armored car service for deposit processing and cash replenishment of automated parking collections units in the amount of \$34,440 for the term January 1, 2013 through December 31, 2013 with four (4) one-year renewal options.
- b. transmittal of second-year funding for Maquet, Inc. (fka Datascope) (PP-CA-192) to provide circulatory assist devices such as intra-aortic balloon catheters and pumps used in Harris Intra-aortic Balloon Pump (IABP) therapy in the estimated amount of \$51,926 for the term February 1, 2013 through January 31, 2014.
- c. transmittal of purchase on the basis of best contracts for Cardinal Health 200, LLC (\$1,633; Items 27-30) and Bard Medical Division (\$48,446; Items 1-26) for wound drainage products in the total multi-vendor estimated amount of \$50,079 for the term September 1, 2012 through August 31, 2013.
- d. transmittal of purchase on the basis of sole source for Oracle USA, Inc. to provide payroll tax updates for PeopleSoft Enterprise HCM application software in the amount of \$50,000 for the term January 1, 2013 through December 31, 2013.
- e. transmittal of renewal of McKesson Information Solutions, LLC to provide maintenance and support for Trendstar® software in the estimated amount of \$76,080 for the term January 1, 2013 through December 31, 2013.
- f. transmittal of the third of four (4) renewal options for HT Systems, Inc. for software support of the patient secure biometric palm vein reader application that accurately identifies each patient, and protects against medical identity theft and insurance card sharing in the estimated amount of \$76,046 for the term February 25, 2013 through February 24, 2014.
- g. transmittal of the second of four (4) renewal options for EndoSoft, LLC for software support for the Video Endoscopy management system for Gastrointestinal and Pulmonary Laboratories in the estimated amount of \$50,000 for the term December 1, 2012 through November 30, 2013.
- h. transmittal of the second of three (3) renewal options on the basis of sole source for UpToDate, Inc., to provide access and maintenance of the UpToDate, Inc., clinical information database in the estimated amount of \$81,161 for the term November 1, 2012 through October 31, 2013.
- i. transmittal of purchase for Gartner, Inc. (DIR-SDD-1273) to provide IT management access to research and networking in the estimated amount of \$89,224 for the term February 1, 2013 through January 31, 2014.
- j. transmittal of purchase for Kronos Incorporated to provide consulting services to implement and integrate time, attendance and scheduling system in the estimated amount of \$80,000 for the term January 1, 2013 through December 31, 2013.
- k. transmittal of exemption from the competitive bid requirements for General DataTech, L.P. to provide system design and implementation services for a network

traffic management Quality of Services (QoS) solution in the estimated amount of \$94,540 for a one-year initial term.

- l. transmittal of purchase on the basis of sole source for Intelligent Medical Objects, Inc. to provide license procedure software in the estimated amount of \$55,000 for the term December 28, 2012 through April 9, 2013 (Coterminous with Agreement).
- m. transmittal of purchase on the basis of single source contract for Philips Healthcare (PP-MM-166) to provide wireless antennas and access points for telemetry monitoring in the estimated amount of \$87,531.
- n. transmittal of purchase on the basis of lowest priced contract for Minnech Corporation (PP-OR-816) to provide one (1) endoscopic scope reprocessor in the amount of \$72,033.
- o. transmittal of award on the basis of lowest priced proposal for St. Jude Medical S.C., Inc. to provide one (1) three dimensional (3-D) cardiac mapping system in the estimated amount of \$85,000 for a one-year term.
- p. transmittal of purchase on the basis of lowest priced contract for UPPI, LLC distributed through Cyclotope (PP-IM-157) to provide Fluorodeoxyglucose (¹⁸F – FDG) radiopharmaceuticals to Smith Clinic Radiology for nuclear testing in the amount of \$84,000 for the term November 5, 2012 through November 4, 2013.
- q. transmittal of purchase for Facility Interiors (TXMAS contracts) to provide additional office cubicles and reconfiguration of existing cubicles at the Kirby Information Technology offices in the amount of \$63,664.

Motion 13.01-16

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that Board approve agenda items V.B. to V.N.

- B. Approved the Harris Health System Information Technology Committee Charter.
- C. Approved Acceptance of Funds from Community Health Choice, Inc., for the establishment of a New Pediatric Center in North Houston in the amount of \$2,000,000.
- D. Approved Interlocal Agreement between Harris Health System and the Fort Bend County Sheriff's Office for the purpose of providing medical-forensic examinations for victims of child abuse, subject to reimbursement from Fort Bend County Sheriff's Office for any out-of-county costs for preparing for and/or attending any court hearings while testifying on behalf of a victim.
- E. Approved the 3rd Term of the Lease Agreement with Pasadena Realty Partners, LLC for Lease Space Located at 3925 Fairmont Parkway, Pasadena, Texas 77504 for a Pediatric and Adolescent Clinic. The 3rd term of the lease is from March 1, 2013 to February 28, 2014 at a monthly rate of \$24,897.10 (\$298,765.25/yr.).
- F. Approved Renumbering of the Amendment to the Harris County Hospital District 401K Plan that was Approved by the Board of Managers on December 6, 2012 to Reflect that such Amendment is the Third Amendment to the Harris County Hospital District 401K Plan.
- G. Ratified the First Amendment to the Trust Agreement between Fidelity Management Trust Company and Harris County Hospital District Employees' Deferred Compensation Plan (the 457(b) Plan) to reduce the loan fees, revise the share class and correct the fund names of certain funds set out in the Trust Agreement, effective December 15, 2012.

- H. Ratified the Seventeenth Amendment to the Trust Agreement between Fidelity Management Trust Company and Harris County Hospital District 401K Plan to freeze new contributions and exchanges, redirect contributions, reinvest proceeds, liquidate amounts invested, and to add certain additional investments in certain investment options to the 401K Plan, effective January 11, 2013.
- I. Approved the Agreement between the Harris Health System and Johnson & Johnson Patient Assistance Foundation, Inc., to participate in the Hospital Access Patient Assistance Program for Healthcare Facilities to provide free drugs of various classes to medically indigent Harris Health System patients at no cost.
- J. Approved the Agreement between the Harris Health System and Celgene Corporation to participate in the Celgene Patient Assistance Program to provide free drugs of various classes to medically indigent Harris Health System patients at no cost.
- K. Approved the Agreement between the Harris Health System and Novartis Pharmaceuticals, Inc. to participate in the Novartis Institutional Patient Assistance Program to provide free drugs of various classes to medically indigent Harris Health System patients at no cost.
- L. Approved the Extension to Engagements for Outside Legal Counsel with Jackson Walker, L.L.P., Fulbright & Jaworski, L.L.P., and FosterQuan, L.L.P., for Legal Services Related to Healthcare and Reimbursement Matters, Employee Benefits and Immigration Matters, engagements extended to May 31, 2013.
- M. Ratified the Harris County Indigent Care Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and the Private Affiliated Hospitals, HCA Gulf Coast Division, Memorial Hermann Hospital System, Christus Health Gulf Coast, the Methodist Hospital, Texas Children's Hospital, St. Luke's Episcopal Health System, and St. Joseph Medical Center, in order to submit the DSRIP (Delivery System Reform Incentive Payment) RHP Plan for all performing providers involved.
- N. Approved revised Harris Health System Policy 3.36 Compliance Hotline, effective January 31, 2013.

VI. Reports of the Committees

A. Joint Conference Committee

1. Consideration of Acceptance of the Medical Board Report

Dr. Ko explained that one of the major concerns is the long wait time in the emergency centers and emergency rooms and the problem of beds in light of the difficult fiscal situation. Discussion ensued.

Dr. Santos requested regular reports regarding wait times in the Emergency Centers. These reports should be measured over a period of a year and then assessed to determine the improvements made as well as what improvements remain.

Motion 13.01-5

Moved by Mr. TJ Tijerina, Jr., seconded by Ms. Carolyn Truesdell, and unanimously passed, that the Board accept the Medical Executive Board Report; agenda item VI.A.1.

2. Consideration of Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (January 2013)

Dr. Tien Ko presented Credentialing Changes for Members of the Harris Health System Medical Staff.

Motion 13.01-6

Moved by Carolyn Truesdell, seconded by, Elvin Franklin, Jr., and unanimously passed, that the Board approve Credentialing Changes for Members of the Harris Health System Medical Staff (January 2013); agenda item VI.A.2.

3. Consideration of Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (Pending Items, January 2013)

Dr. Tien Ko presented Credential Changes for Members of the Harris Health System Medical Staff (Pending Items, January 2013). Christa Johnson, Director of Medical Staff Services, confirmed that Drs. Christie Ballantyne and Manuel Berzosa-Corella have been verified and both have current Department of Public Safety (DPS) registrations. All the pending items have been verified.

Motion 13.01-7

Moved by Carolyn Truesdell, seconded by, Elvin Franklin, Jr., and unanimously passed, that the Board approve Credentialing Changes for Members of the Harris Health System Medical Staff (Pending Items, January 2013); agenda item VI.A.3.

B. Performance Improvement & Patient Safety Committee

1. Review, Discussion and Possible Action regarding the Harris County Hospital District d/b/a Harris Health System Quality Scorecard

Dr. Santos began the discussion by requesting to have the Physician Satisfaction Report to be a recurring item on the agenda for the Board's Performance Improvement and Patient Safety Committee.

Dr. Sutton explained that meetings are being held with physicians to determine their needs and improvements to be made. Dr. Sutton told the Board that a physician liaison is being considered to work directly with physicians on site to address their concerns and resolve issues in a timely manner. Dr. Santos suggested a more coalesced medical center and need for a culture shift toward a more physician-centric system. He also stated that this process should be tied to the Chief Medical Officer. Dr. Sutton explained he is already working on this issue and that the physician liaison would assist with matters and will report to him.

Dr. Santos progressed to the topic on Patient Safety. Dr. Sutton explained that on February 25, 2013, a team from the Universal Health Consortium will assess Harris Health System and provide external, national benchmarks to compare and contrast our level of patient safety. This initiative will provide a clearer picture and examine further those levels in red which were discussed in a previous Board meeting. Dr. Santos suggested the benchmarks be "risk-adjusted" to provide a more realistic sense of how we are performing.

Dr. Sutton then raised the issue of 10% disparity between African-American women and White women in the treatment of breast cancer. Dr. Kathy Lipscomb, from Ben Taub General Hospital, and Dr. Curtis Ray, from Lyndon B. Johnson General Hospital, made a presentation on their efforts toward the treatment of breast cancer and the seminal node biopsy. They reported that radical mastectomies are no longer the norm. Less surgery is more. Dr. Ray stated that 95% of Lyndon B. Johnson General Hospital breast cancer patients underwent the seminal node biopsy procedure, which is the main treatment modality; 15%

presented metastatic disease. National statistics show only 5% of breast cancer patient's present metastatic disease.

Ms. Stiner requested a report to determine whether Harris Health System is reaching out to the African-American community regarding breast cancer prevention education and whether we are partnering with other institutions on breast cancer community outreach.

Mr. Chris Baumgartner, Regional President, Press Ganey, presented the methodology for setting Patient Satisfaction Goals for 2013. Mr. Baumgartner suggested Harris Health System set realistic goals which means starting at a 50% baseline for the year. Such a baseline goal would be more achievable and show goal achievement beyond the 50 percentile as well as the average for the year. He also suggested setting goals on things we can control. Mr. Baumgartner recommends measuring goals over a three (3) year span, which would involve level setting per year. Mr. Lopez suggested stretch goals be incorporated annually in the goal setting process.

Motion 13.01-8

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve the Harris County Hospital District d/b/a Harris Health System Quality Scorecard.

2. Review, Discussion and Possible Action regarding Harris County Hospital District d/b/a Harris Health System Hospitalization Process

Dr. Sutton began this presentation by calling attention to the Hospitalization Process Policy approved in October, 2012. He stated that it is the doctor who writes medical orders and is responsible for determining the level of medical care for the patient.

Discussion ensued regarding current hospitalization practices and Centers for Medicare and Medicaid Services (CMS) documentation process.

Mr. Franklin recommended we revisit this policy including the issue of documentation and physician decision. Dr. Santos added we need to revisit how physician's services are implemented.

3. Presentation of Employee Satisfaction Results

Ms. Lisa Daul, Press Ganey Associate, gave a brief overview on Employee Satisfaction Survey and stated Harris Health System did very well this past year. The survey results indicated that: (1) employees want more opportunities to participate, especially in decisions that impact them directly; (2) employees want more recognition and more coaching from the people to whom they report; and (3) employees want improved communication, listening and following through when communication happens.

Item, VII.A was addressed out of order.

C. Budget & Finance Committee

Item VI.C.10 was addressed out of order.

1. Discussion and Possible Action regarding the FY2014 Harris County Hospital District d/b/a Harris Health System Operating & Capital Budget

Mr. Norby presented the FY2014 Operating & Capital Budget. He explained that volume is measured by adjusted patient days. The total revenue budget for baseline operations in

FY2014 is \$1.176 billion, an increase of about \$23 million from previous projected FY2013 revenues. Expenses are expected to increase due to overall volume growth of 1.7%.

Discussion ensued regarding the budget and the one cent tax reduction. Mr. Norby added that while the one cent tax reduction is important, Medicaid expansion is a high priority for Harris County Hospital District d/b/a Harris Health System and that a tax rate increase is not incorporated into the 2014 budget but is still hoped for. He also reminded the Board that DSRIP funds are not included in this baseline budget. A copy of the report is available in the permanent record.

Motion 13.01-13

Moved by Mr. TJ Tijerina, Jr., and seconded by Mr. Elvin Franklin, Jr., that the Board approve the FY2014 Harris County Hospital District d/b/a Harris Health System Operating & Capital Budget and that pages 3, 6, 7, 8, and 9 of the budget will be included in the presentation to members of the Commissioners Court. Seven in favor, one opposed. Motion carried; agenda item VI.C.1

2. Consideration of Approval of the Amended Harris Health System Investment Policy

Mr. Mike Norby presented the Amended Harris Health System Investment Policy to the Board for approval. A copy of the report is available in the permanent record.

Motion 13.01-9

Moved by Mr. TJ Tijerina, Jr., seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board approve Amended Harris Health System Investment Policy; agenda item V.C.2.

3. Consideration of Approval of Payment to the Harris County Healthcare Alliance for 2012-2013 Membership Dues

Mr. Mike Norby presented the statement of Payment for the Harris County Healthcare Alliance for 2012 – 2013 Membership Dues to the Board for approval. A copy of the statement is available in the permanent record.

Motion 13.01-10

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that the Board approve Payment of \$50,000 to the Harris County Healthcare Alliance 2012 – 2013 for Memberships Dues; agenda item VI.C.3.

4. Consideration of Acceptance of the November 2012 Financial Report Subject to Audit

5. Consideration of Acceptance of the November 2012 Pension Plan Report Subject to Audit

6. Consideration of Acceptance of the November 2012 Investment Report

Mr. Mike Norby presented the November 2012 Financial Report, the November 2012 Pension Plan Report and the November 2012 Investment Report to the Board for acceptance. Copies of these reports are available in the permanent record.

Motion 13.01-11

Moved by Mr. TJ Tijerina, Jr., seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board accept the November 2012 Financial Report, November 2012 Pension Plan Report, and the November 2012 Investment Report; agenda items VI.C.4 through VI.C.6.

7. Consideration of Acceptance of the December 2012 Financial Report Subject to Audit
8. Consideration of Acceptance of the December 2012 Pension Plan Report Subject to Audit
9. Consideration of Acceptance of the December 2012 Investment Report

Mr. Mike Norby presented the December 2012 Financial Report, the December 2012 Pension Plan Report and the December 2012 Investment Report to the Board for acceptance. Copies of these reports are available in the permanent record.

Motion 13.01-12

Moved by Ms. Daisy Stiner, seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that the Board accept the December 2012 Financial Report, the December 2012 Pension Plan Report, and the December 2012 Investment Report; agenda items VI.C.7 through VI.C.9.

10. Consideration of Acceptance of November 2012 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda began his presentation on Community Health Choice, Inc. by stating the financials for November 2012 are below projections due to a decrease from the state and an increase in covered pregnant women. There was a loss of \$8.7M and a non-recurring, expense item of \$2.65M. Conversely, Community Health Choice, Inc., showed positive growth in market share from 30% to 40% and a major portion of this growth is due to birth of new babies. The cost for caring for newborns is much more expensive than the cost for a baby one-year old or older. Mr. Janda cautioned that the month of December 2012 may not meet expectation and it may take about 6 months to recover. Money for the new Pediatric Health Center is not included in this financial statement.

The Community Health Choice, Inc. Financial Statements were for information only and do not require Board approval.

Item VI.C.1. was addressed out of order.

D. Audit Committee

1. Consideration of Acceptance of the Harris County Auditor's Report Refunds Controls Recommendation Follow-Up Report
2. Consideration of Acceptance of the Harris County Auditor's Report Financial Assistance Program Patients' Eligibility for Third Party Funding
3. Consideration of Acceptance of the Harris County Auditor's Materials Management Recommendations Follow-Up Report

Mr. Mike Norby presented the three Follow-Up Reports and Recommendations to the Board for acceptance. Copies of these reports are available in the permanent record.

Motion 13.01-14

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board accept the three Harris County Auditor's Refunds Controls Recommendation Follow-Up Report, Financial Assistance Program Patients' Eligibility for Third Party Funding Report, and Materials Management Recommendations Follow-Up Report; agenda items VI.D.1 through VI.D.3.

E. Bylaws Committee

1. Consideration of Approval of the Amendments to the Bylaws of the Harris County Hospital District d/b/a Harris Health System Board of Managers

Ms. Truesdell presented necessary changes that need to be made to the Bylaws.

Under the heading *Duties of the Board*, item 10, the word “annually” will be inserted to inform members when vacancies need to be filled on the Board of the Directors of Community Health Choice, Inc.

Under Article VI, Officers will be elected annually. Discussion ensued regarding the terms a Board Member can serve in one office and the number of consecutive terms. Consensus was reached that a three year consecutive term limits would be acceptable.

Article VI, item 4, *Duties of the Secretary*, will clarify that the seal will be “used to the extent required.”

Under Article VII, item 3, delete *Information Technology* as a function of the Planning and Operations Committee because Information Technology is now a standing committee.

Article VII, item 4, *Performance Improvement and Patient Safety Committee*, will clarify that the Committee can have members other than Board members.

Article VII, item 8, *Information Technology Committee* will be added as a standing Committee.

Under Article XI, item 1.c., *Administrative Staff*, Ms. Truesdell noted the requirement for the Chief Executive Officer to develop and present annually an organizational chart to include salary structure and a report of comparable salaries. Mr. Lopez committed to have this information available for the February 28, 2013 Board meeting. In the future, this report will be available and issued during the month of January beginning 2014.

Under Article XI, 1.h., *Administrative Staff*, the Board requires the Chief Executive Officer provide the Board an annual report to review and adopt. Mr. Lopez agreed to present the annual report to the Board by July 2013.

Ms. Truesdell committed to presenting the revised Bylaws for the March 2013 Board meeting.

Item VII.B. was addressed out of order.

F. Corporate Compliance Committee

The Annual Harris County Hospital District d/b/a Harris Health System Board of Managers Compliance Education Session and will be presented in the February 28, 2013 Board Meeting. No executive session was held.

VII. Miscellaneous Agenda Items

- A. Presentation of the Harris Health System Capital Expansion Plan

Mr. George Masi gave an overview of the Harris Health System Capital Expansion Plan. Currently, the Harris Health System includes: three hospitals, sixteen Health Centers, seven School-Based Clinics, five Mobile Health Units, one Dental Center, and fifteen Shelter-Based Clinics. Between

Quentin Mease Community Hospital, Ben Taub General Hospital, and Lyndon B. Johnson General Hospital, the Harris Health System has a total of seven hundred sixteen (716) beds with 315,000 unduplicated patient capacity.

Current construction projects include bed conversion at Ben Taub, plus phase one renovation and a laboratory to open in 2013. The Lyndon B. Johnson Westland Specialty Clinic is scheduled to open in September 2013 with five out-patient operating rooms. Bed conversions in the hospital are also part of this construction. With the planned conversion to semi-private rooms, the total number of beds will become 653 beds, a loss of sixty three beds. Mr. Masi assured the Board that this loss of beds is manageable.

Future funded projects include Ben Taub Phase Two Surgery Clinics scheduled to open in 2014. Future funded projects also include renovation of the Ben Taub Emergency Center, as well as outpatient unit, the 59 North Pediatric Clinic, an additional ambulatory surgery capability (site to be determined), and a clinic backfill. DSRIP (1115 Waiver Projects) includes nine new clinics.

Discussion ensued regarding emergency clinics and urgent care clinics. Dr. Ericka Brown clarified that Harris Health System will use the term Same Day Clinics. Mr. DonCarlos cautioned we will need to educate the public about the purpose and services to be provided. Same Day Clinics may ease some of the traffic in our Emergency Centers.

Mr. Elvin Franklin, Jr. told the Board the Capital Plan initiative presents an opportunity to educate the public and create a cultural shift within Harris Health System and that shift must be done throughout the entire organization.

B. Discussion regarding Harris County Hospital District d/b/a Harris Health System Governance Matters

Ms. Truesdell stressed the need for more efficiency in conducting committee meetings and board meetings. Frequency of committee meetings may be scheduled based on need and work load. Some committee meetings may be held every month (i.e., Budget and Finance, Planning and Operations, Performance Improvement and Patient Safety), while other committees may need to meet less frequently. Items needing to be discussed must be routed through Nicole Streeter, Director, Office of Board of Managers.

Ms. Truesdell then asked Rose Garcia, Assistant County Attorney, to explain the requirements of the Plan Administrator for the Employee's Deferred Compensation Plan and 401K Plan. Several administrative committees oversee retirement benefits plans, and it is the Board's responsibility to designate an Administrator to be accountable for administering these plans. Ms. Garcia recommended someone with financial responsibility, and the Board agreed the current Chief Financial Officer, Mr. Mike Norby, is that person. The Board will formerly designate Mr. Mike Norby as Administrator of Retirement Benefits Plans at the February 28, 2013 Board meeting.

VIII. President/Chief Executive Officer's Report to Include Possible Action regarding: 1) Possible Action on Mission Statement; 2) Possible Action on Renaming People's Health Center; 3) Employee Satisfaction Score; 4) Bed Conversion Plan by Facility; and 5) Alliance for Local Control of Health Care

1. Possible Action on Mission Statement

Mr. Lopez requested the Board consider incorporating the following phrase into the Mission Statement: "by training the next generation of health professionals". As such, the entire Mission Statement would read as follows: *To improve our community's health by delivering high-quality health care to Harris County residents and by training the next generation of health professionals.*

The Mission Statement will be posted at all facilities, internal publications, including the Intranet, website and designated communication documents or media. The Marketing and Public Relations departments will work with Mr. Lopez to update and disseminate the Mission Statement by March 1, 2013.

Motion 13.01-15

Moved by Mr. Elvin Franklin, Jr., and seconded by Ms. Carolyn Truesdell, and unanimously passed, that the Board approve the Mission Statement as follows: "To improve our community's health by delivering high-quality health care to Harris County residents and by training the next generation of health professionals"; agenda item VIII.1. Items VIII.2–5 were discussed previously, and relevant information was distributed.

IX. Executive Session

Mr. Don Carlos recessed for Executive Session at 12: 46 p.m.

X. Reconvene

At 2:23 p.m., Mr. DonCarlos reconvened the meeting and stated no action was taken in Executive Session.

- A. Report by Senior Vice President of Corporate Compliance regarding Compliance with Medicare, Medicaid, HIPAA and other Federal and State Health Care Program Requirements and a Status of Fraud and Abuse Investigations, pursuant to Section 161.032 of the Texas Health & Safety Code.

No action taken.

- B. Report by the Chief Medical Officer regarding Quality of Medical and Health Care, pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Occupations Code Ann. §160.007 to receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Health Care Services

No action taken.

- C. Discussion regarding the Acquisition of Real Property in Connection with the Harris County Hospital District d/b/a Harris Health System's 2015 Strategic Plan, pursuant to Tex. Gov't Code §551.072 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

- D. Consultation with the County Attorney regarding case No. 01-12-01018-cv; *Peter Obasogie v. Harris County Hospital District*; In Court of Appeals for the First District of Texas at Houston, pursuant to Tex Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session.

Motion 13.01-17

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board adopt the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves and hereby authorized the settlement of Cause No. 01-12-01018-cv; *Peter Obasogie v. Harris County Hospital District*; In Court of Appeals for the First District of Texas at Houston, in the amount of \$10,224.00, payable to Peter Obasogie. Mr. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- E. Consultation with the County Attorney regarding the District's Termination of the Agreement with Western Reserve MedTec Services, LLC, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter Upon Return to Open Session

Motion 13.01-18

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and unanimously passed that the Board adopt the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves and thereby authorizes ratification and settlement regarding Termination of the Agreement with Western Reserve MedTec Services, LLC, in the amount of \$1,088,866.72 for equipment Harris Health received, and in connection with terminating the Agreement, approves an additional payment of \$241,748.08 to Western Reserve MedTec Services, LLC for depreciation of items received. Mr. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- F. Consultation with the County Attorney regarding Payment by Magellan Health Services, pursuant to Tex Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 13.01-19

Moved by Ms. Carolyn Truesdell, seconded by Mr. TJ Tijerina, Jr., and unanimously passed that the Board adopt the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves and there authorizes settlement in connection with services provided to a member of Magellan Health Services and payment by Magellan Health Services to Harris Health System in the approximate amount of \$5,000. Mr. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- G. Discussion regarding the Evaluation of the Harris Health System President/CEO, pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action regarding this Matter Upon Return to Open Session,

No action taken.

XI. Adjournment

Moved by Ms. Carolyn Truesdell, seconded by Mr. TJ Tijerina, Jr., and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 2:27p.m.

I certify that the foregoing are the Minutes of the Meeting of the Board of Managers of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on January 31, 2013.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary
Board of Managers

Recorded by Henrietta Robinson